



2003 Worldwide Contracting Training Conference



Services Panel The Industry Perspective

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Total Commitment to Superior Services and Customer Satisfaction

INCENTIVIZING CONTRACTORS - INDUSTRY PERSPECTIVE

AWARD FEES

- **USE MORE AWARD FEES**
- **INCLUDE INTERIM PAYMENTS**
- **GOVERNMENT SHOULD SET REASONABLE AF FLOOR (8-15%)**
 - **KEY MOTIVATOR**
 - **GIVES CONTRACTOR REASONABLE RETURN**
- **SET AF PLAN CRITERIA TO ALLOW ROOM FOR IMPROVEMENT**
- **CONSIDER MORE BASE FEES**
 - **ATTRACTS MORE SMALL BUSINESS OFFERORS**
 - **COVERS DISALLOWABLES**

INCENTIVIZING CONTRACTORS - INDUSTRY PERSPECTIVE

OTHER INCENTIVES

- **NEED SIMPLE INCENTIVES**
- **TIMELY FUNDING MODIFICATIONS**
- **FLEXIBILITY**
 - **WORK EXPANSIONS**
 - **WORK CATEGORIES**
- **PAYMENTS EXPEDITED**

INCENTIVIZING CONTRACTORS - INDUSTRY PERSPECTIVE

SMALL BUSINESS INCENTIVES

- **COMPLIANCE ENFORCEMENT ON LARGE BUSINESS FOR SB SUBCONTRACT PLAN DURING PERIOD OF PERFORMANCE**
 - **FLOOR & GOALS**
 - **SMALL BUSINESS SUBCONTRACTING (34% OF \$) DOWN 4.7% IN 2002**
- **INCREASE IMPORTANCE OF CRITERIA FOR SB SUBCONTRACTING "GOAL" (FLOOR) FOR SOURCE SELECTIONS**

RECOMMENDATIONS FOR STIMULATING IMPROVED UTILIZATION OF SMALL BUSINESS IN LARGE PRIME CONTRACTS - INDUSTRY PERSPECTIVE

- **REQUIRE PRIMES TO SPECIFICALLY IDENTIFY THE ROLES, AND LEVEL OF EFFORT TO BE PERFORMED BY EACH SUBCONTRACTOR IN ALL PROPOSALS**
- **ALLOCATE A PORTION OF PRIMES FEE TO SMALL BUSINESS ACHIEVEMENT OF THE SUB-CONTRACTION GOAL - MUST BE MEANINGFUL**
- **MAKE SMALL BUSINESS PERCENTAGE PARTICIPATION A “REQUIREMENT” NOT A “GOAL”. IMPOSE PENALTIES ON THE PRIME IF THE PERCENTAGE IS NOT ACHIEVED IN EACH CONTRACT YEAR**

RECOMMENDATIONS FOR STIMULATING IMPROVED UTILIZATION OF SMALL BUSINESS IN LARGE PRIME CONTRACTS - INDUSTRY PERSPECTIVE

- **ACTIVELY MONITOR PRIME'S EFFORT TO PROVIDE MEANINGFUL WORK TO THE SMALL BUSINESS ON A QUARTERLY BASIS; IDENTIFY DEFICIENCIES AND INSURE THAT CORRECTIVE ACTION BE COMPLETED**
- **MAKE ACTUAL SMALL BUSINESS UTILIZATION A MEANINGFUL PART OF PAST PERFORMANCE EVALUATION CRITERIA**